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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

April 14, 2014

CERTIFIED RETURN RECEIPT  
7011 2970 0001 8828 9692

Michael Sprunger  
P.O. Box 38054  
Leamington, Utah 84638

Subject: Review of Reclamation Surety and Notice of Intention to Commence Small Mining Operations, Michael and Sandra Sprunger, ML 47821 & ML 46956/Cubical 2, S/023/057, Juab County, Utah

Dear Mr. Sprunger:

The last surety estimate for the ML4721&46956/Cubical2 mine was done in 2006 and escalated to 2009 dollars. The surety amount needs to be adjusted to account for changes in reclamation costs.

During an inspection on April 10, 2014, Duane Bays of the Bureau of Land Management mentioned that the road might need to be included into the permit area. If the road is included, the reclamation surety would be based on two acres instead of one. Calculations shown below, however, are for one acre of disturbance.

Based on average reclamation costs, the surety amount needs to be increased from \$5,400.00 to either \$8,000.00 (3-year escalation; surety amount next evaluated in 2017) or \$8,300.00 (5-year escalation; next evaluated in 2019). The average reclamation costs are outlined below:

#### Small Mining Operation 5 Acres or Smaller

Project Size (Acres)	Surety 3 & 5 year escalation 2014	Comments
1 or fewer acres	\$8,000 (3-year escalation) * \$8,300 (5-year escalation)	Minimum amount required



Michael Sprunger  
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Please contact the bond coordinator, Penny Berry, at 801-538-5291 or by e mail at [pennyberry@utah.gov](mailto:pennyberry@utah.gov), for information about submitting the additional surety. Your current surety is in the form of four certificates of deposit with Wells Fargo Bank. You may increase the amount in one of the certificates of deposit, submit a new certificate of deposit, or use an alternative bonding instrument, such as a corporate surety bond, a letter of credit, or cash, for either the increased or the full amount. Bonding forms are available on the Internet at <http://www.ogm.utah.gov/minerals/MINERALSFORMS.htm>.

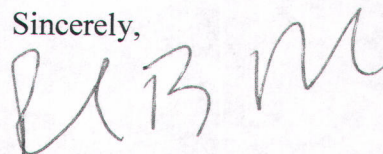
An alternative to increasing the surety would be to reclaim the site.

**Please provide the additional surety or perform the reclamation no later than June 13, 2014.**

The Notice of Intention to Commence Small Mining Operations (NOI), commonly referred to as the mine plan or the mine permit, is out of date. The NOI on file with the Division of Oil, Gas and Mining is on an old BLM notice form. The Division understands you are working with the BLM to revise the notice. Please provide the Division with an updated NOI by June 13, 2014. You can obtain a copy of the Division's NOI form from the Division's website at [http://linux1.ogm.utah.gov/WebStuff/wwwroot/minerals/permit\\_forms.html](http://linux1.ogm.utah.gov/WebStuff/wwwroot/minerals/permit_forms.html). The NOI form is MR-SMO.

Thank you for your help in keeping the surety and the NOI current. Please contact Wayne Western at 801-538-5263 or me at 801-538-5261 if you have any questions concerning this letter.

Sincerely,



Paul B. Baker  
Mining Program Manager

PBB:whw:pb  
cc: Duane Bays, Fillmore BLM ([dbays@blm.gov](mailto:dbays@blm.gov))  
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